

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): January 16, 2004



(Exact name of registrant as specified in charter)

Ohio	0-850	34-6542451
(State or other jurisdiction of incorporation)	Commission File Number	(I.R.S. Employer Identification No.)
127 Public Square, Cleveland, Ohio		44114-1306
(Address of principal executive offices)		(Zip Code)

Registrant’s telephone number, including area code: (216) 689-6300

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**Item 7. Financial Statements and Exhibits**

**(c) Exhibits**

- 99.1
- The Registrant’s January 16, 2004, press release announcing its earnings results for the three- and twelve-month periods ended December 31, 2003.

**Item 12. Results of Operations and Financial Condition**

On January 16, 2004, the Registrant conducted a conference call/webcast to discuss its quarterly earnings and currently anticipated earnings trends. The slide presentation reviewed by the Registrant in the conference call/webcast follows as Annex A to this Item 12.

On January 16, 2004, the Registrant issued a press release announcing its earnings results for the three- and twelve-month periods ended December 31, 2003. This press release, dated January 16, 2004, is attached as Exhibit 99.1 to this report.

# **Fourth Quarter 2003 Review**

## **January 16, 2004**

**Speakers: Henry Meyer  
Jeff Weeden**



**PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995  
FORWARD-LOOKING STATEMENT DISCLOSURE**

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The conference call and discussion, including related questions and answers, and presentation materials, contain forward-looking statements about issues like anticipated first quarter and full-year 2004 earnings, anticipated level of net loan charge-offs and nonperforming assets and anticipated improvement in profitability and competitiveness. Forward-looking statements by their nature are subject to assumptions, risks and uncertainties. Actual results could differ materially from those contained in or implied by such forward-looking statements for a variety of factors including: changes in interest rates; failure of the economy to continue to recover, which could materially impact credit quality trends and the ability to generate loans; failure of the capital markets to function consistent with customary levels; delay in or inability to execute strategic initiatives designed to grow revenues and/or manage expenses; consummation of significant business combinations or divestitures; new legal obligations or restrictions or unfavorable resolution of litigation; further disruption in the economy or the general business climate as a result of terrorist activities or military actions; and changes in accounting, tax or regulatory practices or requirements.



# 2003 Review

- **Challenging environment for growing revenue**
- **Strong growth in core deposits**
- **Significant improvement in asset quality**
- **Disciplined expense management**
- **Strong capital/dividend increase (39<sup>th</sup> yr.)**
- **Alignment of businesses around customer segments**



# 2004 Strategic Priorities

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- Profitably grow revenue
- Continue to improve asset quality
- Maintain expense discipline
- Increase shareholder value (EPA)



# Financial Summary - 4Q03

- **EPS of \$0.55**
- **Revenue (TE) up \$6 million**
- **Average core deposits up annualized 5%**
- **NPLs down \$101 million**
- **Repurchased 4.0 million shares**



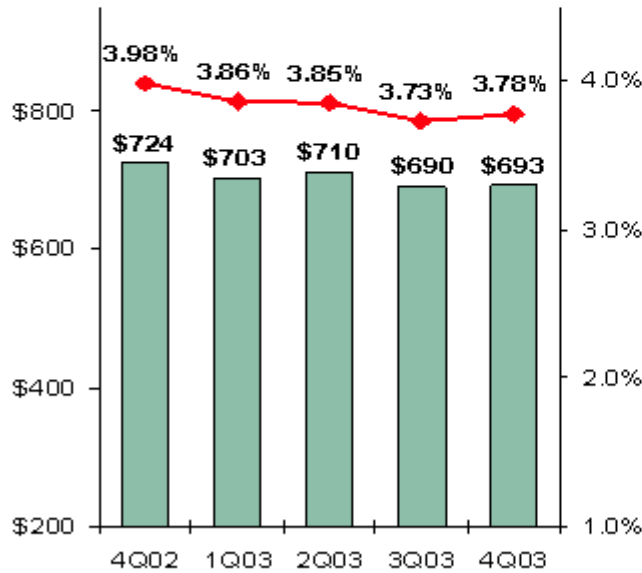


# Net Interest Income

\$ in millions



Net Interest Income (TE)



Average Earning Assets



# Noninterest Income 4Q03 vs. 3Q03

*\$ in millions*

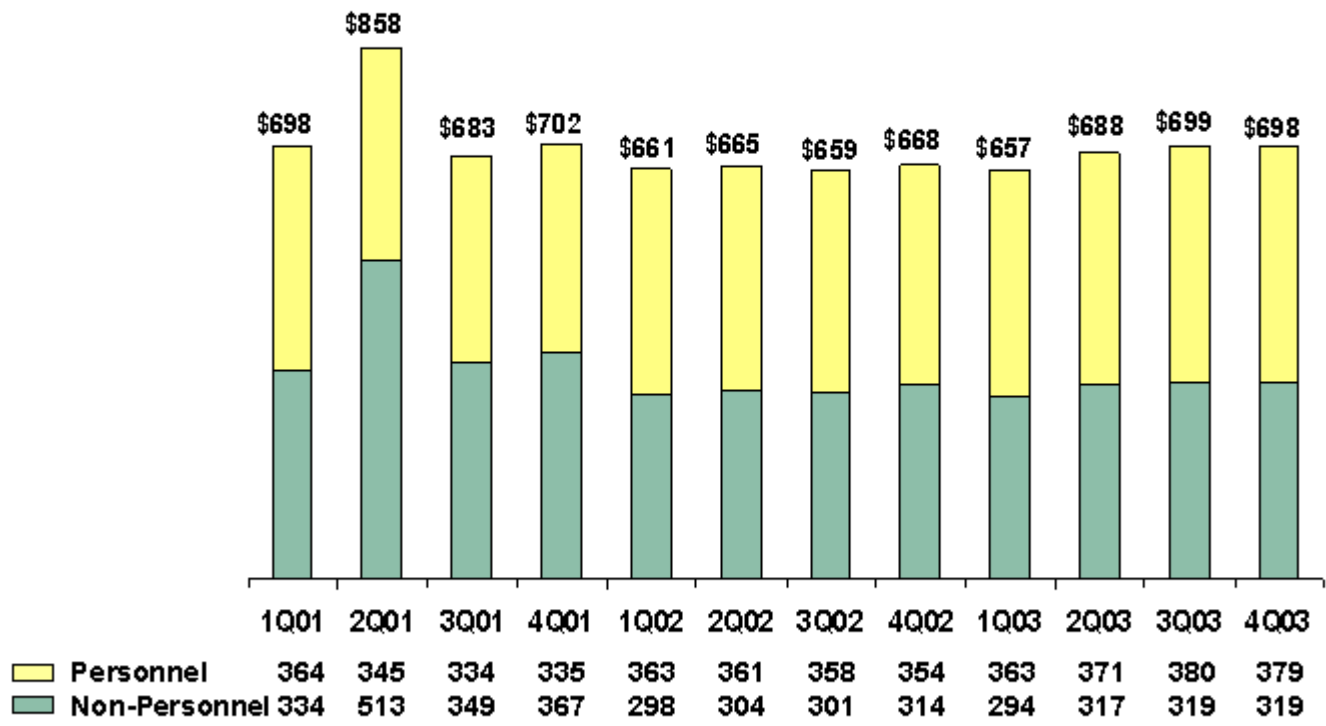
Noninterest Income 3Q03	\$463
Investment Banking Income	16
Trust & Investment Services	8
Letter of Credit & Loan Fees	7
Dealer Trading and Derivatives	(10)
Net Gains from Securitizations & Sales	(17)
All Other – Net	<u>(1)</u>
TOTAL	3

Noninterest Income 4Q03	\$466
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# Noninterest Expense

\$ in millions



# Asset Quality

\$ in millions

	<u>4Q02</u>	<u>1Q03</u>	<u>2Q03</u>	<u>3Q03</u>	<u>4Q03</u>
Net C/O to Average Loans	\$186 1.18%	\$161 1.04%	\$141 .90%	\$123 .77%	\$123 .78%
Nonperforming Loans to EOP Loans	\$943 1.51%	\$904 1.44%	\$837 1.32%	\$795 1.27%	\$694 1.11%
Nonperforming Assets to EOP Loans + OREO	\$993 1.59%	\$968 1.54%	\$897 1.42%	\$862 1.37%	\$753 1.20%
Allowance to Total Loans	\$1,452 2.32%	\$1,421 2.27%	\$1,405 2.22%	\$1,405 2.24%	\$1,406 2.24%
to Nonperforming Loans	154%	157%	168%	177%	203%



# Capital

	<u>4Q02</u>	<u>1Q03</u>	<u>2Q03</u>	<u>3Q03</u>	<u>4Q03</u>
Tang. Equity/Tang. Assets	6.73%	6.71%	6.90%	6.94%	6.94%
Tier 1 Risk-Based Capital	7.74%	7.86%	7.94%	8.23%	8.29% *
Cash dividends paid (per share)	\$ .30	\$ .305	\$ .305	\$ .305	\$ .305
Shares Repurchased (millions)	1.2	2.0	3.0	2.5	4.0

\* Estimated



## 2004 Outlook

- Improving climate for fee-based businesses
- Stable to improving asset quality
- Modest loan growth
- Continued focus on expenses
- EPS Range: 1Q04                      \$0.52 to \$0.55  
   2004 F.Y                      \$2.25 to \$2.35

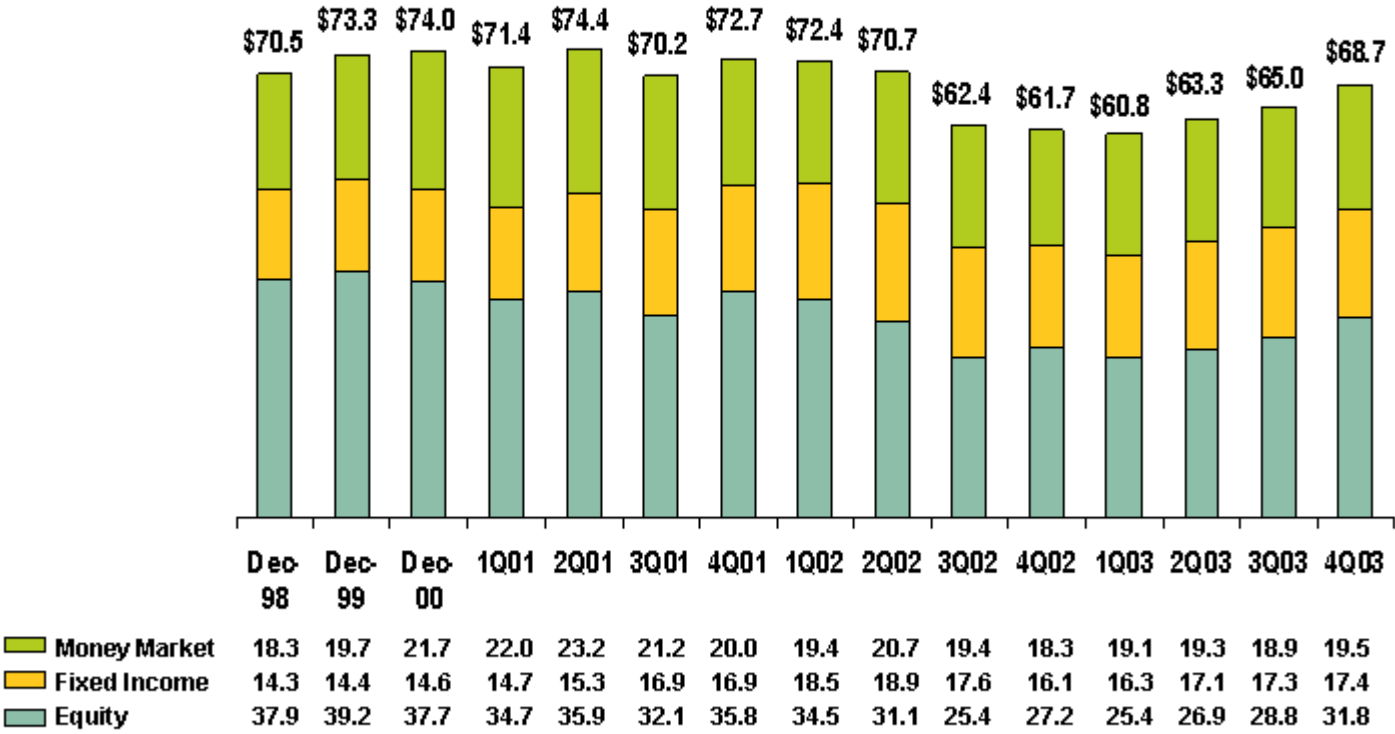


# Appendix



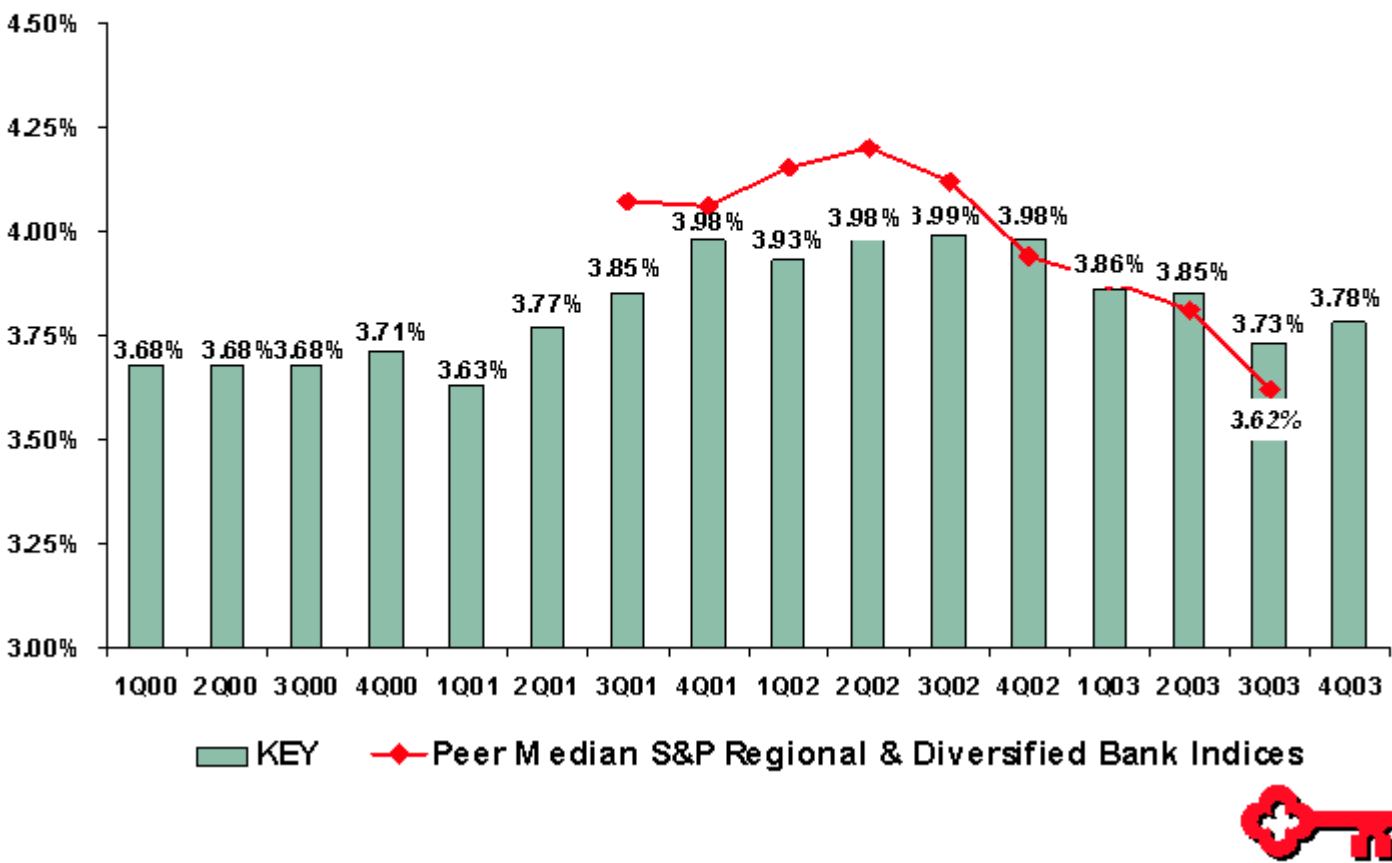
# Assets Under Management

\$ in billions

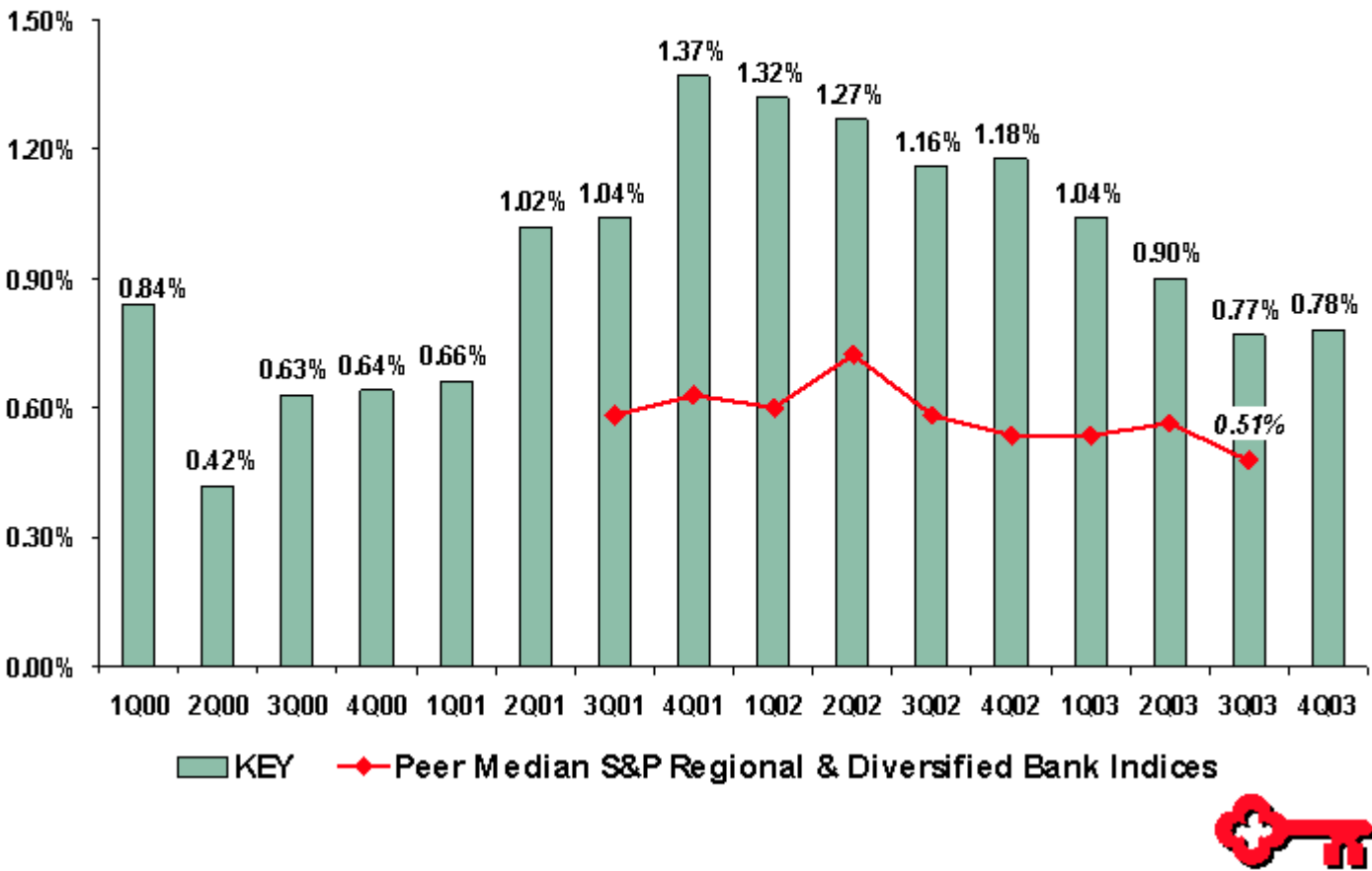




# Net Interest Margin (TE)



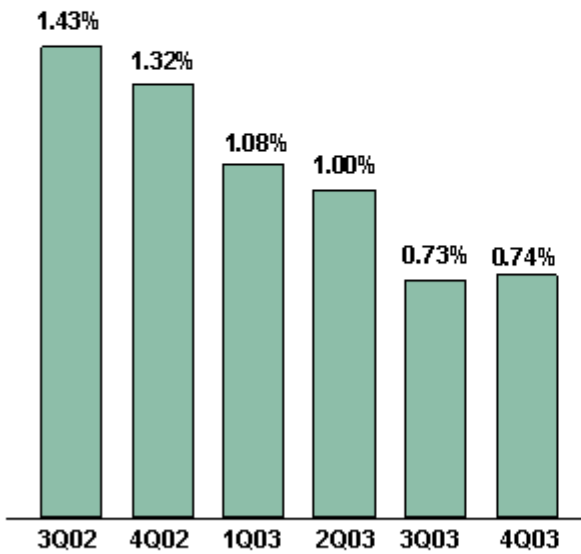
# Net Charge-Offs to Average Loans



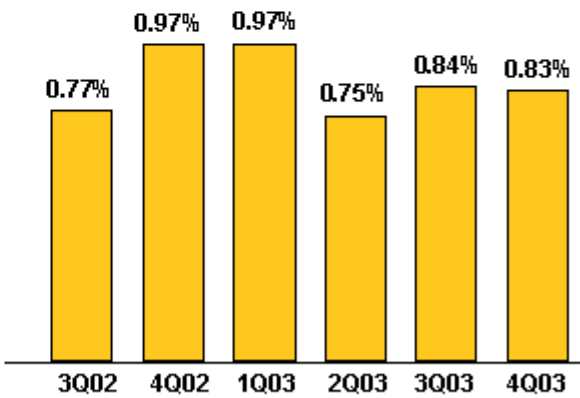
# Net Charge-Offs to Average Loans

by Loan Type

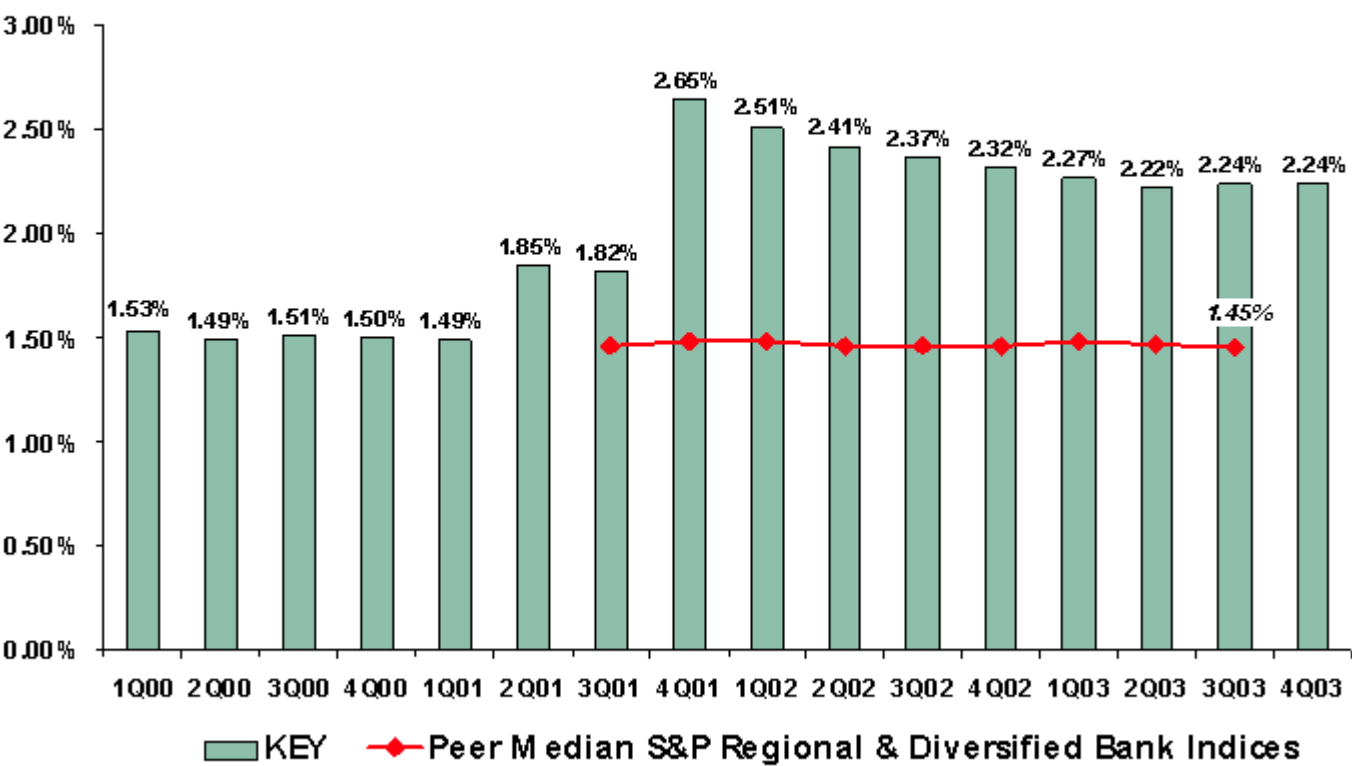
Commercial



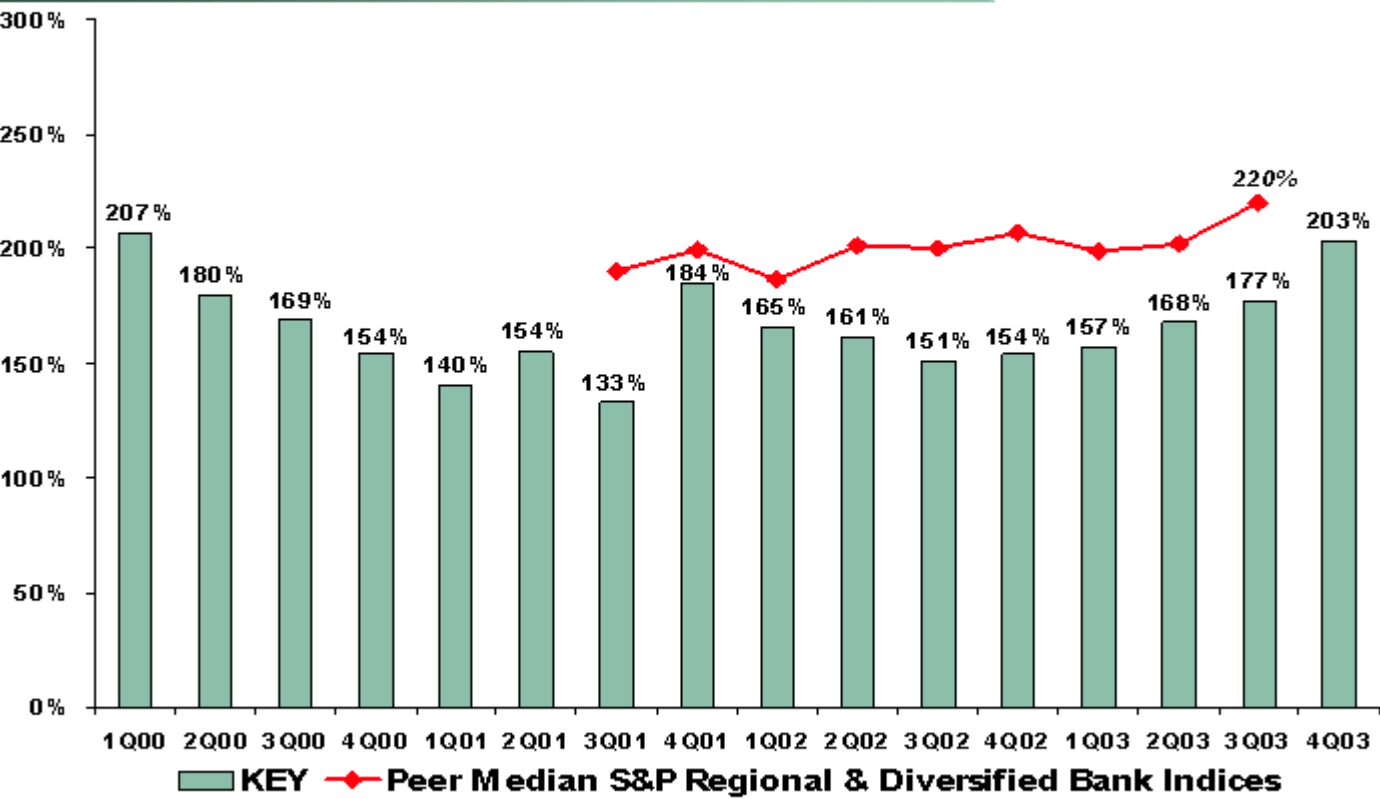
Consumer



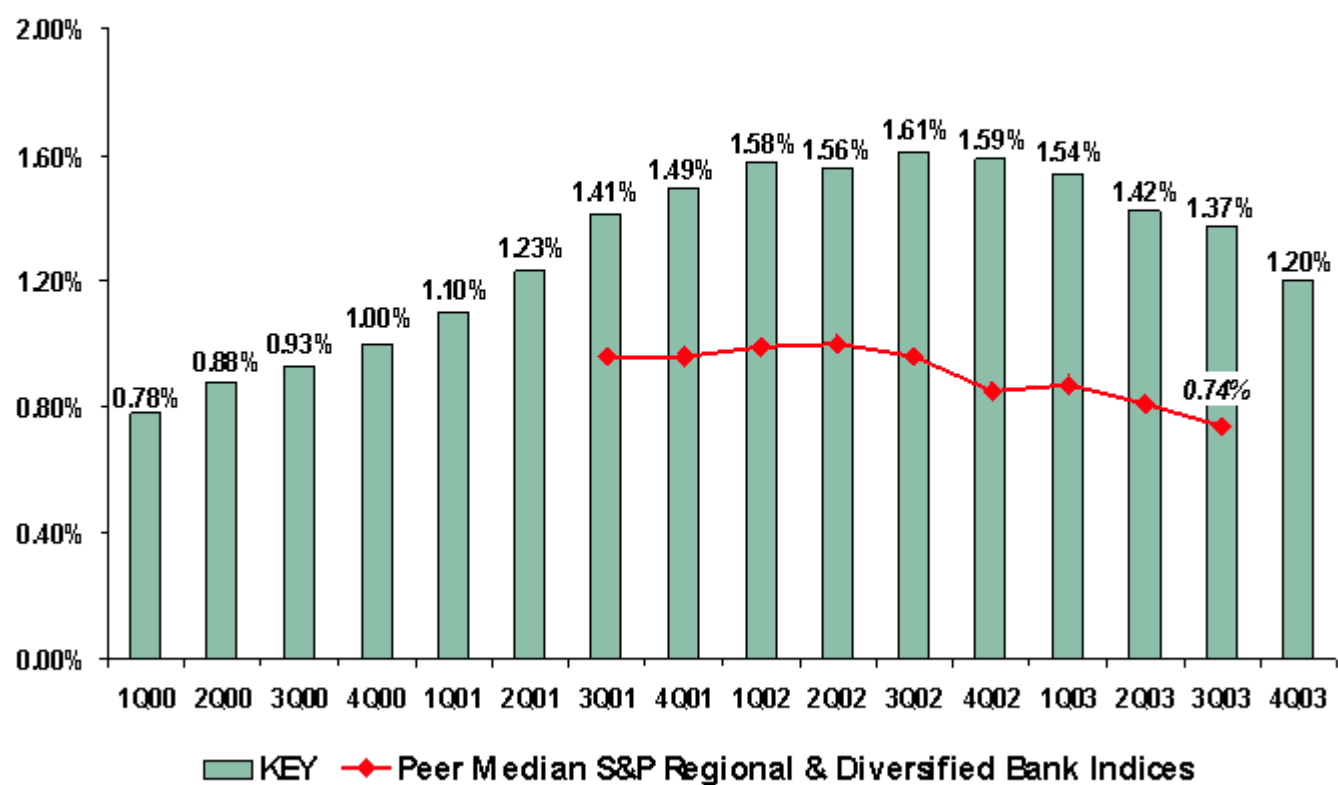
# Allowance to Total Loans



# Allowance to NPL

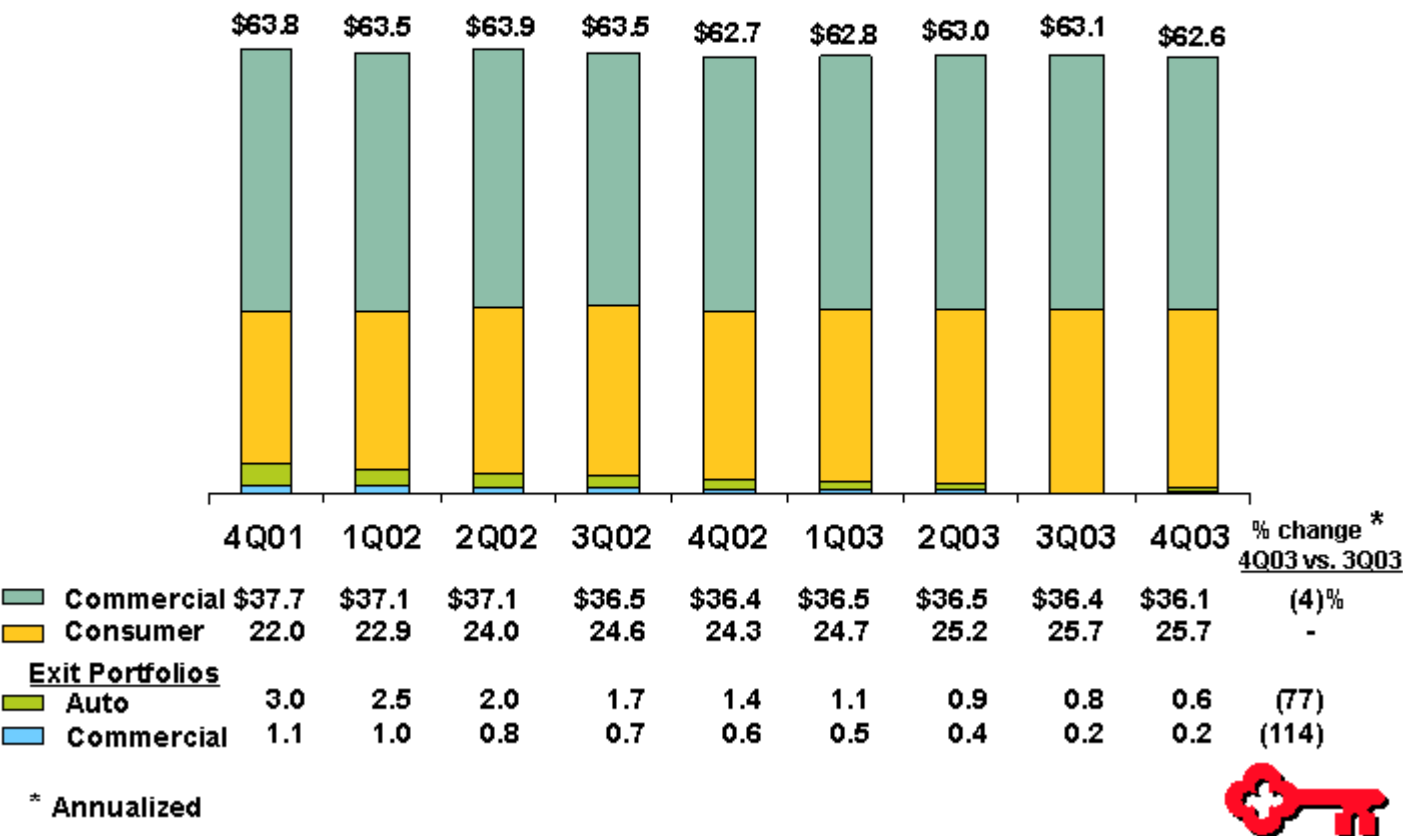


# NPAs to Loans and OREO

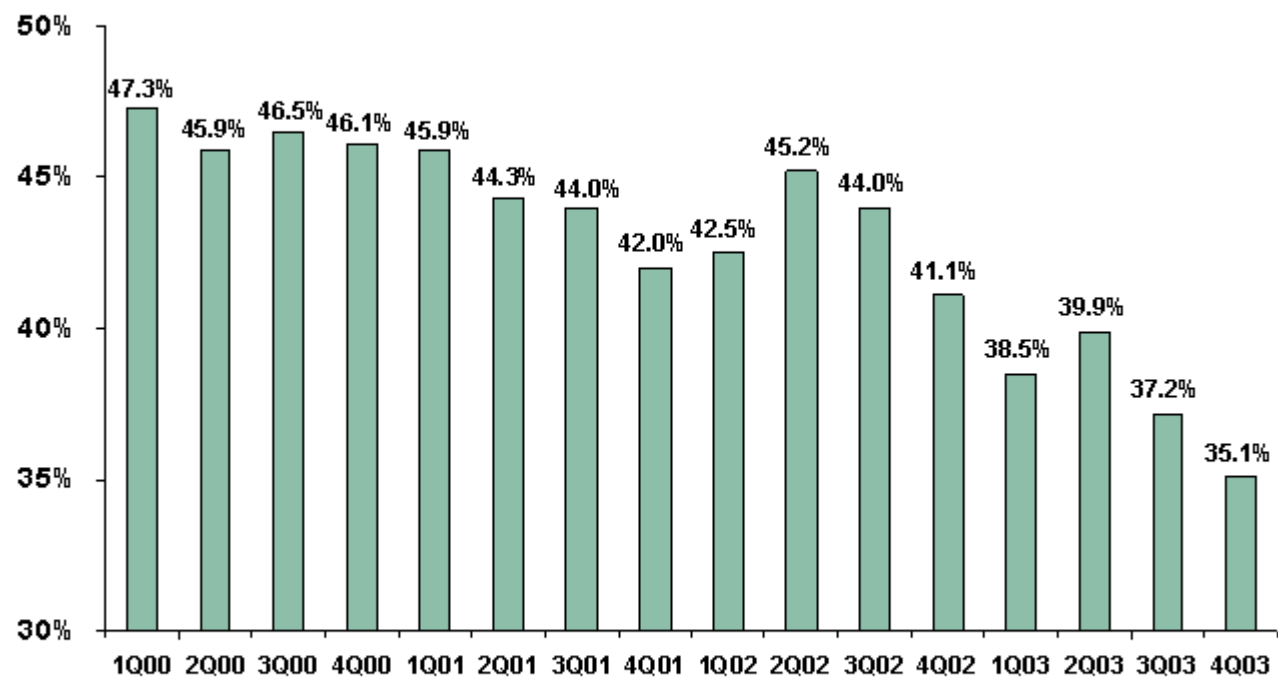


# Average Loans

\$ in billions



# Commercial Portfolio - Utilization Rate

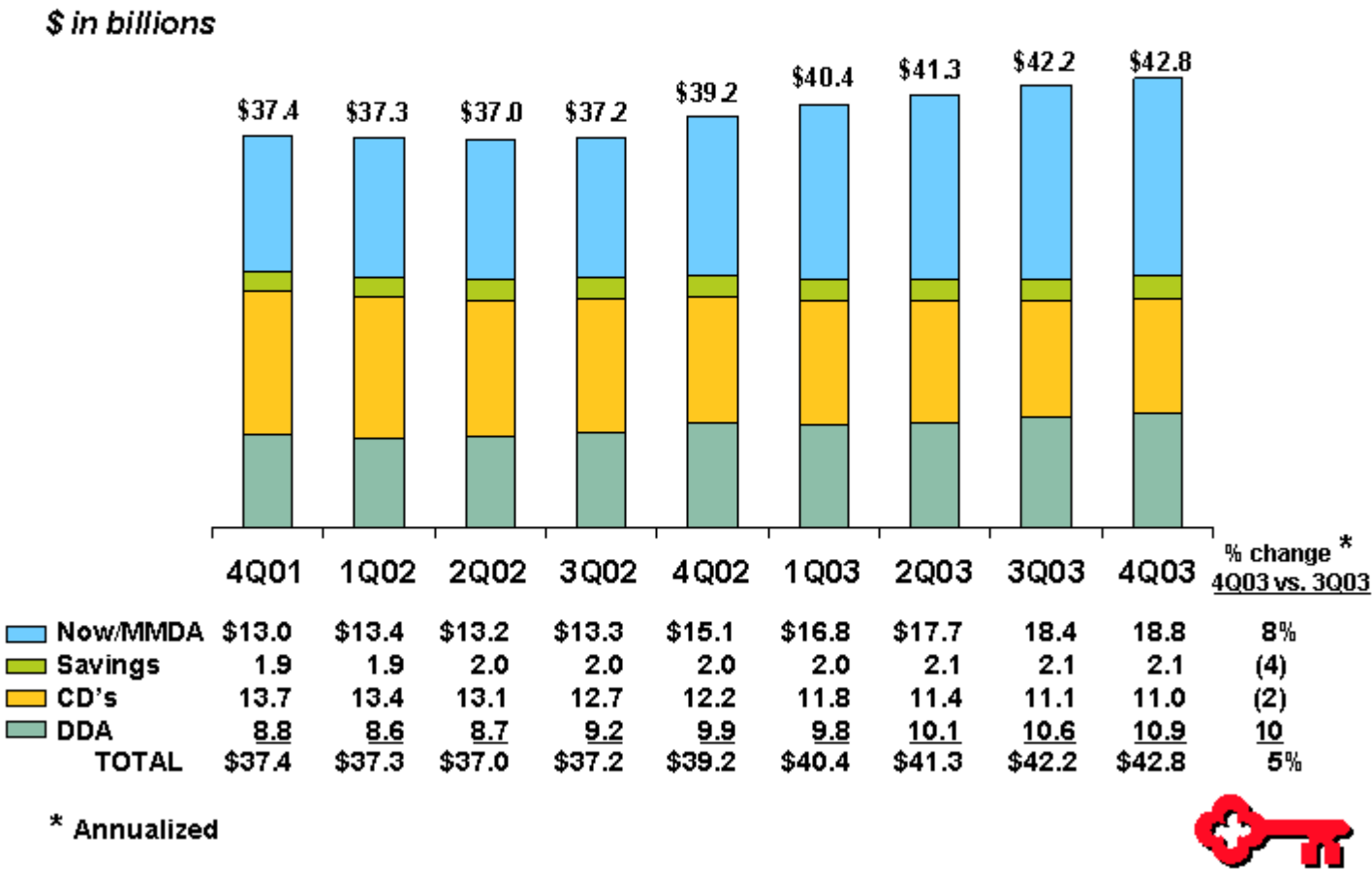


\* Excludes Real Estate, Leasing and Commercial Run-off Portfolios



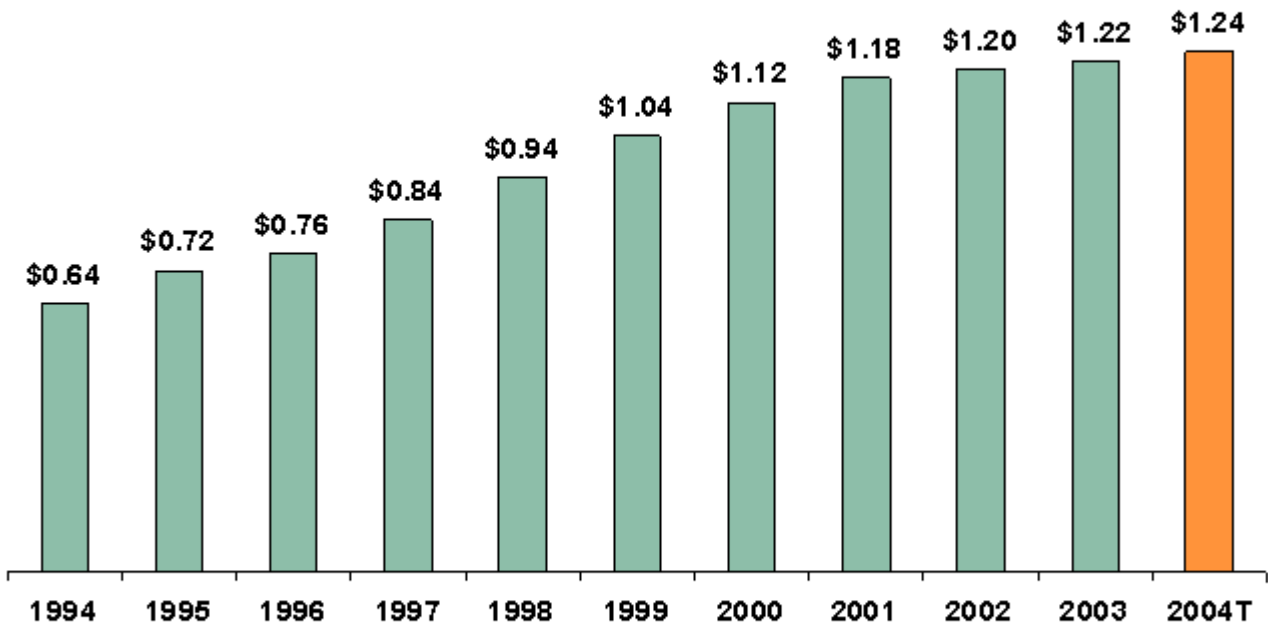


# Average Core Deposit Growth

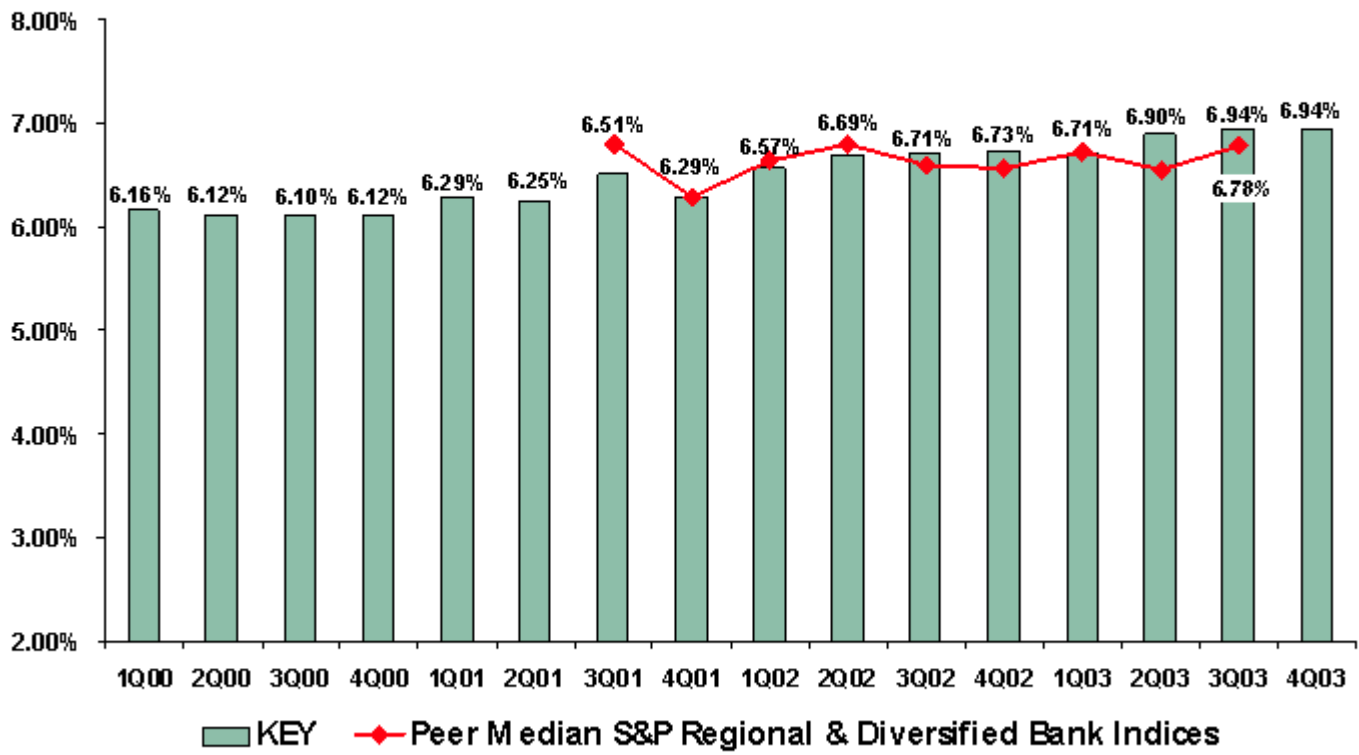


# Strong Dividend Record

Dividend increased 39 consecutive years



# Tangible Equity to Tangible Assets



SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KEYCORP

(Registrant)

/s/ Lee Irving

Date: January 16, 2004

By: Lee Irving  
Executive Vice President  
and Chief Accounting Officer